



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

09/404,518

09/23/1999

STUART SERKIN

09857/030001

8450

26161 7590 06/17/2010

FISH & RICHARDSON PC
P.O. BOX 1022
MINNEAPOLIS, MN 55440-1022

EXAMINER

MILEF, ELDA G

ART UNIT

PAPER NUMBER

3694

NOTIFICATION DATE

DELIVERY MODE

06/17/2010

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

PATDOCTC@fr.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte STUART SERKIN and JOHN MALITZIS

Appeal 2009-012727
Application 09/404,518
Technology Center 3600

Decided: June 15, 2010

Before HUBERT C. LORIN, BIBHU R. MOHANTY, and CAROLYN D.
THOMAS, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 (2002) of the final rejection of claims 1, 3-14, and 16-22 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002). Oral arguments were presented on June 8, 2010.

SUMMARY OF THE DECISION

We REVERSE.

THE INVENTION

The Appellants' claimed invention is directed to a method of executing an order in a market system which includes checking if a market identification associated with the order matches a market participation identification representing a quote in the system which is at the best bid or best offer price in the system (Spec. 1:14-20). Claim 1, reproduced below with some numbering in brackets added, is representative of the subject matter of appeal.

1. A computer implemented method of executing an order, the method comprising:

receiving by a computer system an order from a customer of a market participant for the order, [1] checking if a market participant identification associated with the order from the customer matches a market participant identification representing a quote in the computer system which is at a best bid or best offer price in the computer system; and if the market participant identification matches the market participant identification representing a best bid or offer quote in the computer system,

[2] matching off the customer order against the one of the best bid or best offer quote of the matching market participant

identification that is at an opposite side of a market irrespective of any other priority established for matching orders in the computer system.

THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Tilfors	US 6,405,180 B2	Jun. 11, 2002
May	US 6,421,653 B1	Jul. 16, 2002

The following rejections are before us for review:

1. Claims 1, 3, 6-12, 14, 17, 18, and 20-22 are rejected under 35 U.S.C. § 103(a) as unpatentable over Tilfors.
2. Claims 4-5, 13, 16, and 19 are rejected under 35 U.S.C. § 103(a) as unpatentable over Tilfors and May.

THE ISSUES

At issue is whether the Appellants have shown that the Examiner erred in making the aforementioned rejections.

For claim 1 and its dependent claims this issue turns on whether Tilfors discloses claim limitation [1] as identified above. For the remaining claims this issue turns on whether Tilfor discloses a similar limitation.

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence:¹

FF1. Tilfors has disclosed an automated exchange for matching bids between a party and a counterparty based on a relationship between the counterparty and the exchange (Title).

FF2. Tilfors at Col. 4:4-26 states that in step 101 a selling price is received from the market maker. In step 103 a buying price is received. In step 105 it is checked if the buying and selling price match. In step 109 it is decided which type of person has entered the buying price (e.g. “a customer, a firm, or another market maker.)” Depending on the type of investor that has entered the buying price the automated exchange system selects different matching methods. Figs. 2a, 2b, and 2c represent methods used if the counter part is a customer, firm, or market maker respectively.

FF3. Tilfors at Col. 4:37-45 discloses that if a parameter indicates to not generate more volume that the matching procedure proceeds to step 215 where it ends.

FF4: Tilfors at Col. 5:55-6:14 discloses matching between two market makers. It is not disclosed that the matched market makers are specifically identified beyond the classification of being a market maker.

FF5. Tilfors at Col. 4:4-26, Col. 4:37-45, and Col. 5:55-6:14 does not disclose checking if market participant identification associated with the order from the customer matches a market participant identification

¹ See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

representing a quote in the computer system which is at a best bid or best offer price in the computer system.

PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”) In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art” *id.* at 415-16.

ANALYSIS

The Appellants argue that the rejection of claim 1 is improper because Tilfors fails to disclose claim limitation [1] as identified above (Br. 9). The Appellants argue that Tilfors designates the order to different investor types such as a “customer, firm, or market maker” rather than identifying a particular market participant (Br. 9-10 and Reply Br. 5). The Appellants

argue that even if the designations of “customer, firm, or market maker” were participant identifications that Tilfors does not check to see if the designation of investor type matches another market participant identification representing a quote in the system (Br. 10).

In contrast the Examiner has determined that Tilfors discloses claim limitation [1] and cites to Col. 4:15-26, Col. 4:37-45, and Col. 5:55-Col. 6:14 (Ans. 4, 8-9) as disclosing this feature.

We agree with the Appellants. Claim 1 includes limitation [1] which requires:

[1] *checking if a market participant identification associated with the order from the customer matches a market participant identification representing a quote in the computer system which is at a best bid or best offer price in the computer system; and if the market participant identification matches the market participant identification representing a best bid or offer quote in the computer system,*

Thus, the claim requires in part checking the *market participant identification* associated with an order and determining if it *matches a market participant identification* representing a quote in the system which is at a best bid or best offer price in the system.

Tilfors at step 109 determines which type of person has entered the buying price (e.g. “a customer, a firm, or another market maker”) and depending on the type of investor that has entered the buying price selects different matching methods (FF2), however this is a general *classification* of the person as opposed to a specific *identification* as the claim requires. Tilfors does disclose matching between two market makers but it is not disclosed that the matched market makers are specifically *identified* beyond the simple *classification* of both being market makers (FF4). Thus, Tilfors

at Col. 4:4-26, Col. 4:37-45, and Col. 5:55-6:14 does not disclose checking if a *market participant identification* associated with the order from the customer matches a *market participant identification* representing a quote in the computer system which is at a best bid or best offer price in the computer system (FF5) and claim 1 is not anticipated by Tilfors. For these reasons the rejection of claim 1 and its dependent claims is not sustained.

Claims 11 and 18 contain limitations similar to those addressed above and the rejection of these claims, and their dependent claims, is not sustained for the same reasons given above. The Examiner's consideration of the Tilfors reference in response to a previous Remand in this case is acknowledged, however we reverse for the reasons given above.

CONCLUSIONS OF LAW

We conclude that Appellants have shown that the Examiner erred in rejecting claims 1, 3, 6-12, 14, 17, 18, and 20-22 under 35 U.S.C. § 103(a) as unpatentable over Tilfors.

We conclude that Appellants have shown that the Examiner erred in rejecting claims 4-5, 13, 16, and 19 under 35 U.S.C. § 103(a) as unpatentable over Tilfors and May.

DECISION

Examiner's rejection of claims 1, 3-14, and 16-22 is reversed.

REVERSED

Appeal 2009-012727
Application 09/404,518

JRG

FISH & RICHARDSON PC
P.O. BOX 1022
MINNEAPOLIS, MN 55440-1022